



AMERICANS FOR TAX REFORM

Grover G. Norquist
President

April 4, 1997

Congressman Christopher Cox
2402 Rayburn House Office Building
Washington, D.C. 20515

ATR Endorses HR 1054, the Internet Tax Freedom Act

Dear Congressman Cox,

Americans for Tax Reform is pleased to endorse your bill, HR 1054, the Internet Tax Freedom Act. The rapid development of the Internet and electronic commerce have made it a tempting target for tax collectors, and sure to be one of the biggest anti-tax battlegrounds of the next century.

Electronic commerce and the Internet are projected to generate hundreds of billions of dollars for the U.S. economy in the years to come, and 30,000 state and local taxing jurisdictions in the United States threaten this revenue and job-creating medium. The moratorium your legislation imposes on state and local taxes directed at the Internet is essential for the development of the Internet and the maintenance of a free market. Without this legislation, revenue-hungry tax collectors will view the Internet as a cash cow, harming American consumers and the economy alike.

Furthermore, I approve of the legislation's call for the Clinton Administration to negotiate with our trading partners to establish a global free trade zone. As you know, Americans constitute over a third of the Internet's 90 million users internationally. The Internet's wide reach makes it essential that the Administration act quickly to protect American users from costly taxes and tariffs imposed by foreign governments. I also heartily endorse your efforts to preclude the Federal Communications Commission from regulating prices and access to the Internet. Keeping the FCC's hands off the Internet will allow it to develop in the most economically efficient way.

I believe that the Internet Tax Freedom Act is vital legislation. Under the Interstate Commerce Clause, Congress has the authority to ensure that state and local tax policies do not excessively burden interstate trade, and Internet commerce is inherently interstate. Congress should use this authority to keep the Internet tax-free and economically productive. The Internet Tax Freedom Act is the best way I know of to accomplish this.

Sincerely,

Grover Norquist

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